



HOME BUILDERS ASSOCIATION OF CONNECTICUT, INC.
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*Your Home
Is Our
Business*

February 18, 2009

To: Senator Eric Coleman, Co-Chairman
Representative Brendan Sharkey, Co-Chairman
Members of the Planning & Development Committee

From: Bill Ethier, CAE, Chief Executive Officer

Re: Proposed Bills 89, 377, 385, 393, 397, 5027, 5187, 5189, 5524, 5540, 5542, 5546, and
5563 – All concerning local option taxes or new fees

The HBA of Connecticut is a professional trade association with almost one thousand, three hundred (1,300) member firms statewide, employing tens of thousands of Connecticut citizens. Our members are residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to this diverse industry. We also created and administer the Connecticut Developers Council, a professional forum for the land development industry in the state.

We oppose all of the above referenced proposed bills that authorize new taxes or fees, except to the extent they would authorize municipal adoption of land value taxation (see our testimony on land value taxation).

We understand property tax burdens very well, as well as the political difficulty these tax burdens place on municipal leaders, but Connecticut's businesses, consumers, homeowners and renters cannot sustain any new taxes or fees in today's economic environment.

Rather than authorize new taxes or fees at the state or local level, local option or otherwise, we strongly urge you to relieve property tax burdens at the local level by doing three things: 1) shift more state revenue to municipalities, without raising state taxes, 2) adopt expense efficiencies at the local level by intelligently removing unfunded mandates, and 3) streamline our state and local permitting systems so economic development will flourish, releasing the free market to produce more tax revenues for both state and local governments. Shifting more state revenue to municipalities without state tax increases will, understandably, make for even tougher spending decisions at the state level. In our view, these are the only economically viable ways to move forward, relieve the property tax imbalance and position Connecticut for a better economic recovery.

Thank you for the opportunity to comment and your consideration of our views.